

2024



KENTUCKY DISTILLERS' ASSOCIATION MEMBERSHIP PACKET



WELCOME

The Kentucky Distillers' Association was founded in 1880 to unite the Commonwealth's signature Bourbon and distilled spirits industry, promote our history and craftsmanship around the world and protect its enduring spirit from those who would do it harm.

Today, our venerable non-profit group encompasses the overwhelming majority of Kentucky's finest distilling companies, from legendary brands and renowned global icons to emerging distillers that are building the next generation of our timeless craft.

All have one common goal: to be part of a distilling family committed to securing the integrity of our industry and strengthening Kentucky's rightful place as the one, true and authentic home for Bourbon.

But to be clear: we're not just about Bourbon. Our members include brandy distilleries, moonshine companies and diverse brands such as rum, gin, vodka and single malt whiskies. All champion tradition and embrace innovation.

We have achieved much by working together. But we have more work to do to modernize Kentucky's archaic alcohol laws, level the playing field with the beer and wine sectors, and elevate and protect Kentucky's booming \$9 billion distilled spirits industry.

We've been waiting for you since 1880.

Here is why you should join us now.



— 2023 ECONOMIC IMPACT —



Kentucky Bourbon is a **\$9 billion economic and tourism powerhouse** for the Commonwealth, now generating more jobs, more payroll, more tax revenue, more tourists and more distilleries in more Kentucky counties than ever before.



Distillers produced a **record 2.7 million barrels** of Bourbon in 2022, the fifth year in a row topping 2 million. Today, there is a record inventory of **12.6 million Bourbon barrels** aging across the state.



Kentucky has **100 licensed distilleries** operated by 84 companies in 42 Kentucky counties.



The distilling industry generated **\$358 million in state & local taxes** last year, which is \$232 million more in taxes (180%) than what was paid just 15 years ago. It also paid **\$1.9 billion** in federal alcohol excise taxes last year.



Corn production in core distilling counties has **increased 300%** since the first 2009 study. Distillers purchased **21 million bushels of Kentucky grown corn & grains**.



Distilling generates more than **23,100 jobs in Kentucky** with annual salaries and wages of \$1.63 billion (**\$2.2 billion including benefits**).



KDA members are in the middle of a \$5.4 billion capital investment spree. Of the **\$3.5 billion of investments** KDA distillers plan to make in the next five years, they project spending at least \$194 million to expand their tourism operations on our famous Kentucky Bourbon Trail® adventures.



Kentucky distillers shipped more than **\$500 million in exports** in 2022, almost all of which was Bourbon.



Kentucky distilleries hosted nearly **2.5 million experiences** in 2023 - a 14% increase over 2022 and a 286% increase over the past 10 years.



Visitors hail from **48 states, 20 countries** and **six continents**, with 76 percent from outside Kentucky.



Tourism creates an annual direct boost to the Kentucky hospitality industry of: **\$180 million** in room sales, **\$144 million** in restaurant sales and **\$69 million** in other retail sales



State and local governments receive at least **\$53 million in tax revenues** from lodging taxes, retail taxes and income-based taxes per year

OUR ROOTS ARE DEEP.

Since 1880, the mission of the KDA has been to Passionately and Responsibly Unite, Promote, Protect & Elevate Kentucky's Signature Bourbon and Distilled Spirits Industry.

MEMBER BENEFITS

Governmental & regulatory advocacy

Media relations

International trade development

Technical + regulatory assistance

Economic development support

Networking

Legal defense

Marketing strategies

Innovative tourism experiences

Tourism support + promotion

Collaborative research programs

Responsibility best practices

Sustainability + workforce development initiatives

High-profile sampling events

Professional development

Industry data + reports

Strategic planning + partnerships

MEMBERSHIP

KDA has an open membership policy for individuals, businesses or institutions engaged as a licensed manufacturer, distiller or rectifier of distilled beverage spirits in Kentucky. KDA currently offers three levels of membership to accommodate distilling companies of all sizes: Heritage, Proof, and Craft.

HERITAGE MEMBERSHIP

Heritage membership is the highest level within the KDA. It is open to licensed distillers or rectifiers in Kentucky that maintain a minimum inventory of 50,000 barrels (or barrel equivalents) of distilled beverage spirits each year.

Heritage members are the KDA's chief guiding voices on industry issues and priorities.

Each Heritage member has the opportunity to appoint a voting representative to the KDA Board of Directors and all advisory panels, including the right to become an esteemed Officer of the Board and lead the historic organization and the industry at large.

Heritage members also have the privilege of increased brand exposure through KDA marketing initiatives and social media channels, prominent visibility at exclusive KDA events, and are eligible to join the prestigious Kentucky Bourbon Trail® tourism program, among other elite opportunities.

Annual dues: Annual dues are based on barrel inventory as of Dec. 31 the preceding year and are set each year by the KDA Board of Directors at the KDA Annual Meeting. Dues for fiscal year 2024 are \$0.10 per barrel and may be paid in quarterly installments. Minimum dues are \$50,000.

Initiation Fee: There is a one-time Heritage Member initiation fee of \$75,000. Any initiation or application fee paid by a current KDA member shall be credited towards its Heritage initiation fee.



PROOF MEMBERSHIP

The Proof level membership is open to licensed distillers or rectifiers in Kentucky that maintain an inventory between 10,000 barrels (or barrel equivalents) and 49,999 barrels of distilled beverage spirits each year. It is the second highest level of KDA membership.

Proof members have the opportunity to appoint a representative to the KDA Board of Directors and have a one (1) collective vote in all Board matters. Additionally, Proof members are encouraged to appoint a representative to each of the KDA advisory panels as they become more involved in industry issues and Association efforts before they transition to the acclaimed Heritage level.

Proof members also have the privilege of increased brand exposure through KDA marketing initiatives and social media channels, prominent visibility at exclusive KDA events, and are eligible to join the prestigious Kentucky Bourbon Trail® program, among other elite opportunities.

Annual dues: Dues for fiscal year 2024 are \$1 per barrel and may be paid in quarterly installments.

Initiation Fee: There is a one-time initiation fee of \$1 multiplied by two times the applicant's barrel inventory. This amount is credited towards the initiation fee required for a Heritage member when the Proof distillery reaches the minimum inventory standards to advance.

CRAFT MEMBERSHIP

The Craft level membership is for licensed distillers or rectifiers in Kentucky that maintain an inventory below 10,000 barrels (or barrel equivalents) of distilled beverage spirits each year. Craft distilleries currently make up more than half of all KDA members.

Craft members have the opportunity to appoint a voting representative to the KDA's Craft Advisory Panel and represent their level on other advisory panels along with Proof and Heritage members. Other opportunities include prominent networking and best practices seminars. The Craft Membership Chair represents the Craft membership on the KDA Board of Directors and casts the collective Craft Membership vote.



CRAFT MEMBERSHIP CONT.

Craft members also have the privilege of brand exposure through select KDA marketing initiatives and social media channels, and are eligible to join the popular Kentucky Bourbon Trail program, among other unique opportunities.

Annual dues: There are two levels of dues for Craft Distillery membership: Introductory and Established. Annual dues are based on barrel inventory as of Dec. 31 the preceding year.

Introductory level dues are for Craft distilleries that maintain an annual inventory of up to 1,000 barrels (or barrel equivalent) of Kentucky distilled beverage spirits. Introductory Craft Member dues for fiscal year 2024 are \$1,000 with a one-time, non-refundable application fee of \$100.

Established level dues are for Craft distilleries that maintain an annual inventory between 1,000 and 10,000 barrels (or barrel equivalent) of Kentucky distilled beverage spirits. Established Craft Member dues for fiscal year 2024 are \$5,000. There is a one-time, non-refundable application fee of \$500.





DISTILLING MEMBERSHIP APPLICATION & AGREEMENT

The Kentucky Distillers' Association ("KDA") has an open membership policy for individuals, businesses or institutions engaged as a licensed manufacturer, distiller or rectifier of distilled beverage spirits in Kentucky. KDA currently offers three levels of membership to accommodate distilling companies of all sizes: Heritage, Proof, and Craft.

APPLICATION PROCESS

Applicants may apply for membership at any time during the year, but preferably before Oct. 1 in order to be considered before the KDA's Annual Meeting in November. All application materials and fees must be submitted with this Application.

The KDA's Membership Standards Advisory Group reviews all completed applications at its quarterly meeting. A recommendation is then made to the Executive Committee of the KDA Board of Directors, and then to the full Board for final approval.

MINIMUM STANDARDS FOR MEMBERSHIP

Applicants and their facilities must be compliant with all local, state, and federal laws, rules, regulations, permits, zoning requirements and codes, including but not limited to those summated in the DISCUS Recommended Fire Protection Practices for Distilled Spirits Beverage Facilities.

All KDA Members must distill on the site of their licensed premises no less than 600 wine gallons annually in accordance with KRS 243.120, which is required to obtain and maintain a Kentucky distilled spirits license by the state Department of Alcoholic Beverage Control.

This production inventory, if maintained by the distillery itself, will be reflected annually on the Kentucky Department of Revenue Form 61A508 (*Annual Report of Distilled Spirits In Bonded Warehouse*), which must be submitted to the state by Feb. 1 of each year, with a complete copy to the KDA no later than May 1 each year.

Additionally, monthly production will be reflected on the TTB Monthly Report of Production Operations.

REQUIRED DOCUMENTATION

Applicants must submit the following information with application:

- Complete copy of its most recent Annual Report of Distilled Spirits in Bonded Warehouse submitted to the state.
- If barrel inventory is stored elsewhere, a signed affidavit stating the location(s) and number of barrels aging by year and type in accordance with the DOR report.
- Latest copy of TTB Monthly Report of Production Operations.
- Latest copy of TTB Monthly Report of Storage Operations.

APPLICANT INFORMATION

Applicant Name: _____ (collectively with its employees, directors, officers, and representatives defined herein as “Applicant”) hereby applies to join the Kentucky Distillers’ Association. While the KDA maintains an open membership policy, a licensed Distiller or Rectifier is considered a member in good standing by abiding by all applicable KDA bylaws, federal, state and local laws and ordinances, and by paying annual dues. The KDA Board of Directors, by majority vote, shall have the right and power to revoke, suspend or censure any distilling company’s participation or membership for violations of these standards, the Code of Responsible Practices for Beverage Alcohol Advertising and Marketing by the Distilled Spirits Council of the United State (DISCUS), or laws and regulations that govern standards of identity and aging and labeling requirements in accordance with KDA bylaws.

Principal Applicant: _____

Title: _____

Signature: _____ **Date:** _____

COMPANY PROFILE

Company Name: _____

DBA: _____

Street address: _____

City, State, Zip code: _____

Mailing Address (if different): _____

City, State, Zip code: _____

Business phone: _____ **Alternate phone:** _____

Business email: _____ **Website:** _____

Company principal 1: _____ **Title:** _____

Email: _____ **Phone:** _____

Company principal 2: _____ **Title:** _____

Email: _____ **Phone:** _____

Company principal 3: _____ **Title:** _____

Email: _____ **Phone:** _____

Please provide information for the appropriate contacts to receive KDA communications:

Main contact:

Name: _____ **Title:** _____

Phone: _____ **Email:** _____

Billing contact:

Name: _____ **Title:** _____

Phone: _____ **Email:** _____

Barrel inventory contact:

Name: _____ **Title:** _____

Phone: _____ **Email:** _____

Head distiller / Master Distiller contact:

Name: _____ **Title:** _____

Phone: _____ Email: _____

Visitor center / tourism contact (if applicable):

Name: _____ Title: _____

Phone: _____ Email: _____

OPERATIONAL STATUS

DSP number: _____

Is applicant licensed by the TTB? _____ If yes, date issued: _____

Is applicant licensed by the Kentucky Department of Alcoholic Beverage Control? _____

If yes, date issued: _____

Please list all applicable permits / licenses currently held:

License / permit	Number	Date Issued
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please list any pending permits / licenses:

ADDITIONAL COMPANY INFORMATION

Year founded: _____ Start of production date: _____

Production capacity (proof gallons): _____

Current barrel (or barrel equivalent) inventory: _____

Number of warehouses and barrel storage capacity for each _____

Manufacturer and size of still _____

List of brands: _____

TOURISM INFORMATION

Do you have a gift shop open to the public? Yes No

Days and hours of operation for gift shop

Do you offer tours to the public? Yes No

Days and hours of operation for tours _____

Do you have a bar/restaurant (NQ2 license) Yes No

Days and hours of operation for bar/restaurant _____

Do you have a satellite tasting room Yes No

Location, days and hours of operation for satellite tasting room

KDA Members are eligible to apply to join the Kentucky Bourbon Trail® tourism program after six months of KDA Membership and provided that the KDA Member is in good standing. Approval for KDA Membership is not approval for participation in the KDA's Kentucky Bourbon Trail® tour. It is a separate and more comprehensive process subject to review by a third-party entity.

I. Representations and Warranties: Applicant hereby represents and warrants that:

Does Applicant anticipate applying to join the Kentucky Bourbon Trail® program in the future?

Yes No

MEMBERSHIP LEVEL

Applying for:

HERITAGE MEMBERSHIP

Applicant certifies that Applicant maintains an inventory of more than 50,000 barrels or barrel equivalents of distilled beverage spirits in Kentucky, and produces at least 600 gallons of distilled spirits at its licensed distillery each year per KRS 243.120.

PROOF MEMBERSHIP

Applicant certifies that Applicant maintains an inventory between 10,000 and 49,999 barrels or barrel equivalents of distilled beverage spirits in Kentucky, and produces at least 600 gallons of distilled spirits at its licensed distillery each year per KRS 243.120.

CRAFT – ESTABLISHED MEMBERSHIP (1,000 – 9,000 barrels)

Applicant certifies that Applicant maintains an inventory between 1,000 and 9,999 barrels or barrel equivalents of distilled beverage spirits in Kentucky, and produces at least 600 gallons of distilled spirits at its licensed distillery each year per KRS 243.120.

\$500 application fee

CRAFT – INTRODUCTORY MEMBERSHIP (1 – 999 barrels)

Applicant certifies that Applicant maintains an inventory of less than 1,000 barrels or barrel equivalents of distilled beverage spirits in Kentucky, and produces at least 600 gallons of distilled spirits at its licensed distillery each year per KRS 243.120.

\$100 application fee

In consideration of Applicant’s membership in the KDA, Applicant hereby agrees as follows:

I. Representations and Warranties: Applicant hereby represents and warrants that:

A. Applicant’s facilities located at _____ (address)(the “Facility”) meet all OSHA standards and training requirements.

B. The Facility will comply with the spirits production requirements set forth in KRS 243.120 of a minimum 600 wine gallons a year.

C. The Facility has been issued all applicable licenses and permits required by local, state and federal law, including but not limited to all applicable zoning, environmental and operational permits.

D. Applicant agrees to submit to the KDA each year a complete copy of Applicant’s Annual Report of Distilled Spirits in Bonded Warehouse by the May 1 deadline specified by the KDA bylaws.

II. If approved as a KDA Member, Applicant agrees to follow all KDA Membership Policies as set forth in this Application and Agreement. By submitting this Application Applicant certifies that Applicant, by and through its undersigned agent, has read, understood, and accepts all such policies as a mandatory requirement of membership in the KDA.

III. Applicant acknowledges that the KDA is an independent trade association that does not typically engage or participate in private disputes (whether threatened or actual) between KDA Members. Applicant hereby agrees that in the event a dispute arises between Applicant and another current Member or Members, Applicant will make reasonable efforts to avoid involving the KDA in the resolution of the dispute. Applicant further acknowledges and agrees that to the extent Applicant causes the KDA to participate in the resolution of a dispute (whether threatened or actual) between Applicant and any other KDA Member, Applicant shall hold harmless and indemnify the KDA for all expenses, including but not limited to attorneys fees, incurred in connection therewith. By way of example, such participation may include, but is not limited to responding to a subpoena.

IV. Applicant acknowledges and agrees that all intellectual property belonging to the KDA and the goodwill therein and associated therewith, including without limitation all trademarks, service marks, certification marks, geographical indications, and any other intellectual property right applied for, registered, or used in commerce (collectively the “KDA Marks”) are the exclusive property of KDA. Applicant agrees not to contest, challenge, or interfere with (or assist or induce others in contesting, challenging, or interfering with) KDA’s right, title and interest in and to the KDA Marks, including but not limited to challenging the validity, enforceability, or ownership of the KDA Marks. Nothing herein shall be deemed a license to use the KDA Marks absent express prior written consent.

V. Applicant further acknowledges that the KDA, acting solely in its capacity as an industry trade association, is not a regulatory or enforcement agency, and that the KDA is not responsible for Applicant’s compliance with any local, state, or federal law, rule, regulation, or code. By approving this Application, the KDA is not certifying Applicant’s readiness or ability to operate its business or certifying Applicant’s compliance with local, state, or federal law, rule, regulation, or code. Applicant further agrees to indemnify, defend, and hold harmless the KDA and KDA Members from and against any and all third-party claims arising from Applicant’s conduct and operation of Applicant’s business, including but not limited to any and all claims arising from Applicant’s non-compliance with any local, state, or federal law, rule, regulation, or code.

By signing below, Applicant certifies that it has completed its Application accurately and truthfully based on all information that was known or should have been known to Applicant as of the date of signature below. The KDA is reliant upon Applicant’s honesty and accuracy in submitting its Application for membership, including all supporting documentation, and all required subsequent reports. Falsification or forgery of any information provided in conjunction with this Application is a basis for immediate denial or termination of membership.

CERTIFIED, ACCEPTED, AND AGREED:

APPLICANT

Company: _____

Signed: _____

Typed Name: _____

Title: _____

Submission Instructions:

By mail: Please enclose your application fee and required documentation and return application to:

Kentucky Distillers' Association
Attn: Annie King
100 Capital Avenue
Frankfort, KY 40601

By email: Please attach required documentation with application and send to annie@kybourbon.com



**ENJOY LIKE A TRUE
KENTUCKIAN: RESPONSIBLY**